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Message Text

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ATTN PARIS FOR JACK MARESCA

E.O. 11652: N/A

TAGS: SOPN, XC, US

SUBJECT: JULY 25 EA PRESS SUMMARY

1. CHINA

REUTER (GEORGETOWN 7/24) REPORTS VICE PREMIER KENG PIAO ENDED GUYANA VISIT MONDAY AFTER HOLDING 5 DAYS OF TALKS W/TOP GOVT LEADERS ON BILAT RELS.

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SOVIET HAS APPOINTED ILYA SHCHERBAKOV AS AMB TO PRC, ACCORDING TASS. ANNOUNCEMENT COMES ONE MONTH AFTER PREVIOUS SOVIET ENVOY VASILI TOLSTIKOV WAS RECALLED W/O EXPLANATION--INTERPRETED BY SOME OBSERVERS AS RESULT OF INCREASED SINO-SOVIET TENSIONS. SHCHERBAKOV WAS MOSCOW'S CHIEF DIPLO IN HANOI '64-'74 (WSTAR 7/24)

WP'S KLOSE (MOSCOW) REPORTS SOVIET MAINTAINED ATTACK ON BRZEZINSKI MONDAY, DECLARING AMONG OTHER THINGS, THAT ZBIG HAD BEEN ESPECIALLY "GRATIFIED TO FIND IN PEKING DURING HIS

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MAY TRIP THERE A FRAME OF MIND THAT IS SO CLOSE TO HIS.
HE NOTED HIS COMMON VIEWS WITH THE CHINESE LEADERS AND
DESCRIBED AS 'BRILLIANT' THE ANALYSIS OF THE INTERNATIONAL
SITUATION GIVEN BY HUA."

ACCORDING CHINESE INFO SERVICE, TAIPEI TRADE SOURCES
DISCLOSED ON WKEND THAT TAIWAN PRODUCTS TRADING CENTER WILL
BE INAUGURATED AT TUCSON, ARIZ, 7/26 (JOC TAIPEI).

HK GOVT HAS EXEMPTED PAYMENT OF DUTY ON PHARMACEUTICALS
CONTAINING ALCOHOL THRU NEW LAW JUST PASSED BY LEGISLATIVE
COUNCIL. COLONY IMPORTS THESE PRODUCTS FROM US/ELSEWHERE,
AND EXEMPTION WILL MEAN ANNUAL REVENUE LOSS OF 130,434 US
DOLS (JOC HK).

2. ASEAN

DOS ANNOUNCED 7/24 US WILL HOLD HIGH-LEVEL TALKS W/ASEAN
NATIONS NEXT WK IN GESTURE TO ENCOURAGE THEIR ECON GROUPING
TO DEVELOP INTO FAR EASTERN COMMON MRKT. SECYS VANCE/
BLUMENTHAL/KREPPS WILL TAKE PART IN TALKS 8/2-4 W/DEL OF
10 VISITING FON/ECON/FINANCE MINS LED BY PHILS FONMIN
ROMULO.
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REUTER'S GUTMAN (7/24) SAYS IT WILL BE MOST EXTENSIVE/
HIGH LEVEL EXCHANGE W/US SINCE ASEAN FOUNDED IN '67.
QUOTES DOS OFFICIAL THAT "MEETING IS POTENTIALLY TERRIBLY
IMPORTANT. ASEAN IS GROPING FOR ITS IDENTITY," OFFICIAL
SAID. "IT COULD DEVELOP FROM A LARGER SORT OF HANSEATIC
LEAGUE INTO A COMMON MARKET DOWN THE ROAD. WE WANT TO GIVE
OUR SUPPORT."

GUTMAN SAYS MEASURE OF IMPT ATTACHED TO MTG IS THAT VANCE
WILL DELAY HIS DEPARTURE ON IMPT MIDEAST MEDIATING MISSION
IN ORDER JOIN IN TALKS. SAYS TALKS EXPECTED CONSIDER CO-OP
IN ECON DEVEL/ENERGY RESOURCES/CONSERVATION/SCIENCE/TECH/
BUSINESS AFFAIRS/COMMODITIES/ETC.

3. SINGAPORE

JOC'S LORENZ (SINGAPORE 7/24) NOTES ASEAN IS SINGAPORE'S
LARGEST TRADING PARTNER, ACCOUNTING FOR 17 PCT TOTAL TRADE.
PREDICTS, HOWEVER, INCREASING TRADE DEFICIT FOR ISLAND
UNLESS MAJOR INDUSTRIAL NATIONS FULFILL PROMISES MADE AT
BONN SUMMIT. NOTES 15.8 INCR IN IMPORTS SO FAR THIS YR
AS COMPARED TO 12.6 INCR IN EXPORTS--PAVING WAY FOR 2.6-MIL-
DOL DEFICIT.

4. THAILAND

THAI PM KRIANGSAK SENTENCES FACTORY OWNER TO LIFE W/O

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TRIAL AND FACTORY MANAGER TO 25 YRS FOR MIXING SAND/GRAVEL W/TAPIOCA FOR EXPORT. USING SPECIAL POWERS UNDER INTERIM CONSTITUTION, KRIANGSAK ALSO FINED FACTORY 100,000 DOLS,

WHICH, IF NOT PAID, WILL BE TAKEN FROM SALE OF FACTORY (REUTER BANGKOK).

5. CHINA/JAPAN
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GOJ-OWNED JAPAN NATL OIL CORP ANNOUNCES PRC-JAPAN HAVE REACHED BASIC AGREEMENT ON JOINT DEVELOPMENT OIL RESOURCES IN PRC'S POHAI BAY. JAPANESE TO MEET CHINESE AGAIN IN PEKING THIS SEPT TO DISCUSS PROJECT'S DETAILS. CHINESE REPORTEDLY ALSO INTERESTED IN JOINT DEVELOPMENT OIL/GAS DEPOSITS IN CHU (PEARL) RIVER (WSJ; CULLISON, JOC TOKYO).

6. JAPAN

GENERAL HIROMI KURISU--CHIEF JAPAN'S JOINT STAFF COUNCIL--HAS RESIGNED AFTER MAKING SERIES OF HAWKISH STATEMENTS RE DEFENSE. KURISU SAID HE RESIGNED DUE TROUBLE HE HAD CAUSED BY COMMENTS THAT JAPAN SHOULD CONSIDER NUKE OPTION/THAT COMMANDERS COULD ORDER TROOP DEPLOYMENTS W/O GOJ CONSENT IN EMERGENCY. ALSO STATED HE HAD LOST CONFIDENCE OF HIS CIVILIAN SUPERIORS (REUTER TOKYO).

IN ITEM ON DOLLAR'S FALL BELOW 200 YEN, OFUSA (NYT) NOTES BANK OF JAPAN PURCHASED SOME 300 MIL DOLS 7/24 IN ATTEMPT STEM DOLLAR DECLINE. BANK SPOKESMAN SAID INTERVENTION WOULD BE DISCONTINUED, DUE CONCERN ABOUT HUGE LIQUIDITY THAT WOULD BE CREATED BY ITS ADDITIONAL RELEASE OF YEN, WHICH COULD PROVIDE MAJOR CAUSE FOR INFLATION. BOTH BANK/GOJ EXPECT YEN CONTINUE CLIMB, THO AUTHORITIES HAVE TRIED PLAY DOWN CURRENT UPSURGE, SAYING YEN HAS PEAKED OUT.

TREAS SEC BLUMENTHAL DECLINED COMMENT ON DOLLAR DECLINE, BUT HE/TREAS UNDER SECY SOLOMON PREDICTED DOLLAR'S GRADUAL STRENGTHENING AS US TRADE BALANCE W/JAPAN IMPROVED. MEN APPEARED BEFORE SEN SUBCMTE
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7/24, SAID JAPAN'S VOLUNTARY AGREEMENTS LIMIT VOLUME KEY EXPORTS TO US WOULD BEGIN PRODUCE DECLINE IN US TRADE DEFICIT LATER THIS YR (BEHR, SUN).

CULLISON (JOC TOKYO) REPORTS JAPANESE BUSINESS/INDUSTRY REACTED RELATIVELY CALMLY TO YEN'S NEW UPSURGE

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AGAINST DOLLAR. SAYS DEALERS PREDICT DOLLAR WILL FALL TO 180 YEN W/IN 3-6 MONTHS .

NYT'S SCOTT-STOKES (TOKYO) DOES ITEM ON DIFFICULTY AMERICANS LIVING IN JAPAN ARE HAVING COPING W/DOLLAR DECLINE. DIPLOMATS/MIL PERSONNEL/BUSINESSMEN FINDING

IT INCREASINGLY DIFFICULT COPE W/FALLING DOLLAR--NOW WORTH 20 PCT LESS THAN LAST YR. JAPAN'S TOURIST INDUSRY ALSO SUFFERING, AS AMERICANS NOW WAIT TO SHOP IN SINGA-PORE/HK. ALSO NOTES US COMPANIES CUTTING DOWN ON REPRE-SENTATION/PROMOTING JAPANESE STAFF.

JAPAN'S AUTO PRODUCTION HIT RECORD HIGH IN 1ST HALF '78, MARKING 12.2 PCT PRODUCTION INCREASE OVER LAST YR (UPI, JOC).

OREGON'S CAFFAL BROTHERS FOREST PRODUCTS HAS ANNOUNCED 4-MIL-DOL PER YR CONTRACT W/JAPANESE WOOD PRODUCTS TRADE MISSION. DEAL HAS PRODUCED SMALL, BUT SIGNIFICANT CHANGE AT LUMBER MILL, WHICH FOR 1ST TIME HAS BEGUN CUTTING LUMBER TO JAPANESE SPECIFICATIONS (KIENLEN, CSM).

LAT'S JAMESON (TOKYO 7/23) REPORTS 27 US EXECS VISITED JAPAN RECENTLY FOR 15TH ANNUAL MEET US-JAPAN BUSINESSMEN'S CONF/ATTEMPTED ANALYZE DIFFERENCES IN HOW RESPECTIVE ECONS WORK. EXPORT PROMO GIVEN HIGH PRIORITY, W/CONFEREES SEEKING APPLY JAPAN'S SUCCESSFUL EXPORT FORMULA TO US BUSINESS PROCEDURES.
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7. KOREA

BARBASH (WP) SAYS DOS HAS AGREED TRY SET UP MEETING OF 2 HOUSE ETHICS CMTE MEMBERS W/PRES PARK, IN EFFORT OBTAIN KIM DONG JO TESTIMONY. ACCORDING SOURCES, DECISION ONCE AGAIN TO SEEK KIM'S TESTIMONY MADE AT 7/24 MEETING WHICH INCLUDED HOUSE SPKR O'NEILL/DEP SEC CHRISTOPHER. REPS SPENCE/HAMILTON SLATED MEET W/PARK, IF PLAN GOES THRU. NO FURTHER DETAILS GIVEN.

KOREAN TRADERS ASSN REPORTEDLY UPSET OVER JAPANESE ATTEMPT TO HAVE US RESTRICT SHIPMENTS KOREAN COLOR TVS TO US. ASSN CLAIMS KOREAN TV EXPORTS TO US IN "INFANT STAGE"/ARE FAR FROM REACHING POINT OF BEING SUBJECTED TO RESTRICTIONS (UPI, JOC SEOUL).

US/SK OPENED 3-DAY MEETING 7/24 TO DISCUSS ISSUES ARISING FROM IMPLEMENTATION OF 5-YR TEXTILE AGREEMENT, WHICH WENT INTO EFFECT JANUARY 1 (UPI, JOC SEOUL).

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8. PHILIPPINES

MOSLEM REBELS HAVE RELEASED 104 FIL CONSTRUCTION
WORKERS KIDNAPPED 7/4 FROM MINDANAO POWER PROJECT,

ACCORDING DEF MINISTRY (AP, NYT MANILA).

9. PACIFIC ISLANDS

SUN'S MARTIN (SAIPAN) REPORTS SEPARATIONIST MOVEMENTS
IN MARSHALLS/PALAU HAVE OUT-POLLED PRO-UNITY FORCES
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IN REFERENDUM ON CONSTITUTION FOR PROPOSED "FEDERATED
STATES OF MICRONESIA." ACCORDING TRUST TERR OFFICIAL,
SEPARATIONIST SENTIMENT IN MARSHALLS/PALAU MAY
INSPIRE MICRONESIAN CONGRESS ADOPT CONCILIATORY
APPROACH/MAKE NEW OVERTURES TO THOSE 2 DISTRICTS.
HOWEVER, EXPRESSED BELIEF 4 POORER DISTRICTS WAITED
TOO LONG TO OFFER CONCESSIONS.

COOK ISLANDS GOVT FELL 7/24 WHEN CHIEF JUSTICE
DEPRIVED PREMIER/7 SUPPORTERS OF THEIR ASSEMBLY
SEATS OVER ALLEGATIONS OF ELECTORAL CORRUPTION.
COOK ISLANDS PARTY THEREBY LOST LEGISLATIVE MAJORITY/RIVAL
DEMOCRATIC PARTY FORMED NEW ADMIN (REUTER RAROTONGA
7/24).

BELCHER (LAT BIKINI 7/23) DOES VERY LENGTHY FEATURE
ON BINKINI ISLANDERS' PLIGHT DUE FALLOUT FROM US
NUKE BOMB TESTS. REVIEWS HISTORY OF TESTS/GENERAL
UNHAPPINESS OF ISLANDERS FORCED RELOCATE. CITES
FEELING OF NATIVES THAT US RENEGED ON PROMISE CARE
FOR THEM/LIED ABOUT BIKINI ISLANDS ONCE AGAIN BEING
SAFE FOR HUMAN LIFE. BIKINI LEADER TOMAKI JUDA HAS
MADE IT CLEAR TO US OFFICIALS THAT IN ADDITION TO
RELOCATING ISLANDERS/MAKING NEW HOMELAND (KILI
ISLAND) LIVABLE, US HAS FURTHER FINANCIAL OBLIGATIONS.
SAYS ISLANDERS ENTITLED TO COMPENSATION FROM US "FOR
THEIR REMOVAL FROM BIKINI AND FOR THE VIRTUAL DESTRUCTION"
OF BIKINI/OTHER ISLANDS.

10. VIETNAM

WORLD BANK PREPARING LEND SRV UP TO 60 MIL DOLS FOR
CONSTRUCTION DAMS/IRRIGATION CHANNELS TO IMPROVE RICE PROD--
ITS 1ST LOAN TO THAT COUNTRY SINCE SAIGON GOVT FELL. BANK
OFFICIAL SAID WB HAS AGREED IN PRINCIPLE ON LAON/WOULD
ADVANCE APPLICATION THIS WK (WP; CSM). UPI (JOC) SAYS
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FRANCE/JAPAN/OTHER INDUST COUNTRIES HAVE STRONGLY FAVORED LOAN, WHILE US HAS STRONGLY OBJECTED. QUOTES BANK EXEC DIR THAT LOAN WOULD BE APPROVED OVER US OBJECTIONS, SINCE "BANK IS APOLITICAL."

11. INDOCHINA REFUGEES

GROUP 86 VIET REFUGEES PICKED UP IN S CHINA SEA/BROUGHT TO JAPAN ALLOWED LAND MONDAY (CSM).

12. INDONESIA

DUE TO GLOOMY PROSPECTS FOR COAL EXPORTS, ROYAL DUTCH SHELL GROUP CANCELS 1.2-BIL-DOL AGREEMENT IT SIGNED W/GOI IN '75 FOR EXPLOITATION COAL DEPOSITS IN S SUMATRA (REUTER JAKARTA 7/24).

13. SOUTHEAST ASIA

WSTAR'S DEVOSS/BONFANTE (BANGKOK 7/24) DO PIECE ON "MARAUDING BUCCANEERS" THAT INFEST SEA LANES OF SEASIA/ PLAGUE FISHING/COMMERCE FROM MALAY PENINSULA TO PHILS. SAY SUMATRAN PIRATES HARASS COASTAL FREIGHTERS/FISHERMEN IN STRAIT OF MALACCA; PRIVATEERS FROM THAILAND/KR RENEGAGES PREY ON VIET REFUGEE BOATS DRIFTING TOWARD MALAYSIA; PLEASURE BOATS ALL WARNED AWAY FROM CELEBES SEA; PHIL WATERS CONSIDERED SO DANGEROUS ONE CARGO LINE ORDERED ITS SHIPS DETOUR TO S CHINA SEA.

REPORTERS NOTE MODERN PIRATES POUNCE FROM HIDDEN COVES W/SPEEDBOATS OR SUPERCHARGED TRAWLERS, STRIKE W/ARSENALS MODERN WEAPONS, THO ONE RUTHLESS TRADITION STILL PREVAILS: WALKING THE PLANK. QUOTE MALAYSIAN OFFICIAL THAT OF 500 UNCLASSIFIED

VICTIMS ATTACKED OFF THAILAND LAST YR, MORE THAN 300 WERE DROWNED.

RISE OF SEASIAN PIRACY LARGELY OUTGROWTH INDOCHINA WAR, THEY SAY. WAR PROVIDED CHEAP SURPLUS WEAPONRY/DEPLETED TRADITIONAL FISHING WATERS, MAKING IT MORE PROFITABLE TO HIJACK FISH THAN CATCH THEM. SAY PIRATES ARE EMBOLDENED BY NEAR IMPUNITY, THO THAILAND HAS REINFORCED LOCAL POLICE NEAR CAMBODIA, AREA OF WORSE PIRACY IN REGION, AND GOP HAS ORDERED ALL BARTER TRADE VESSELS INTO SUPERVISED CORRIDORS. SAYS THAI POLICEMAN SUMMED UP PROBLEM: "IT WOULD BE MUCH EASIER IF THEY STILL FLEW THE BLACK FLAG."

COMMENT AND ANALYSIS

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14. KOREA

WP EDIT CITES FACT HOUSE, AFTER 18-MONTH INVESTIGATION, HAS STILL NOT GOTTEN TO BOTTOM OF KOREAN BRIBERY SCANDAL NOR ACCESS TO KIM DONG JO--DESPITE ECON AID CUTOFF. SPECULATES EVEN IF CONGRESS CUT OFF MIL AID, ROKG WOULD NOT

BE FORTHCOMING. IN FACT, SAYS SEOUL MIGHT EVEN HAVE WELCOMED MIL AID CUT, AS IT WOULD HAVE BROUGHT PRES CARTER'S TROOP W/DRAWAL PLANS TO "ABRUPT HALT." SEES KOREA SCANDAL PART OF LARGER PROBLEM--MONEY IN POLITICS-- THAT HAS PLAGUED US PUBLIC LIFE FOR YRS. DECLARES HOUSE SPKR/WHIP, EXONERATED OF IMPROPER CONDUCT BUT W/KOREAN CONNECTIONS "THAT DID NOT SPEAK WELL OF THEIR JUDGMENT," HAVE ALL THE MORE REASON REDEEM HOUSE INTEGRITY BY LEADING FIGHT FOR FURTHER REFORM.

15. JAPAN

CSM'S OKA (BRUSSELS) SAYS GOOD FEELINGS ENGENDERED BY FUKUDA'S BRUSSELS VISIT HAVE NOT DISSIPATED
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"PRICKLINESS" FOR JAPAN-EC RELS. REMARKS MAJOR IRRITANT IN EC-JAPAN RELS IS SAME AS IN US-JAPAN RELS--LOPSIDED TRADE BALANCE. STATES EUR CONTINUES DOUBT WHETHER JAPAN WILL LIVE UP TO BONN PLEDGES/HAS DIFFICULTY UNDERSTANDING JUST HOW JAPANESE BUSINESS-- HAVING BEEN GOING ALL-OUT FOR EXPORTS--WILL SUDDENLY FIND THEMSELVES "VOLUNTARILY" RESPECTING GOJ'S WISHES.

16. PHILIPPINES

GEYER (WP) CITES CASE OF FIL POL REFUGEE CHARITO PLANAS, NOW RESIDING IN SAFE HOUSE "SOMEWHERE IN MARYLAND." NOTES PLANAS CAMPAIGNED AGAINST IMELDA FOR MANILA GOVERNORSHIP/WAS CONSTANT IRRITANT TO MARCOSES. COMMENTS ON HOW COMPLETELY DIFFERENT PLANAS IS FROM IMELDA. REMARKS THAT PLANAS SEVERAL TIMES REFUSED DEPORTATION BY MARCOS GROUP/DECIDED LEAVE ONLY WHEN THEY SURROUNDED HER HOUSE W/TRUCKLOADS OF TROOPS. THO IT IS PLANAS WHO HAS REASON FEAR MARCOSES' WRATH, GEYER ASKS, "WHO IS REALLY THE MORE AFRAID OF WHOM?"

17. AUSTRALIA

JOC EDIT CITES ATTY GEN BELL'S AUSTRALIAN VISIT/HIS ATTEMPT "UNRUFFLE SOME OF THE FEATHERS THAT HAVE BEEN RUFFLED" OVERSEAS RE US ATTEMPT APPLY ANTITRUST LAWS TO BUSINESS ACTIVITY IN INTL FIELD. OPINES HE

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COULD NOT HAVE CHOSEN BETTER LOCALE, BECAUSE IN NO
COUNTRY HAS CRITICISM US ANTITRUST ACTIVITIES IN
INTL FIELD BEEN SHARPER THAN IN AUSTRALIA. STATES
THAT WHILE BELL ELOQ'ENTLY DEVELOPED PHILOSOPHY
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BEHIND US POSITION, LEFT MYRIAD OF QUESTIONS UNANSWERED.
SUGGESTS US REVISE ANTITRUST STRICTURES TO BRING

THEM MORE CLOSELY IN TUNE W/PRESENT-DAY REALITIES.

18. CHINA

HANS MORGENTHAU (NYT OP-ED) MAINTAINS US PLAYING "CHINA
CARD" HAS GREAT POTENTIAL VALUE FOR INDEFINITE FUTURE;
DOES NOT NOW FRIGHTEN SOVIETS--BUT COULD PROVOKE THEM TO
PREEMPTIVE ACTION, THERBY SOUNDING DEATH KNELL FOR CHINESE
MODERNIZATION. QUESTIONS HOW PEKING REACTS TO BEING PLAYED,
LIKE CARD IN GAME, BY US AGAINST SOVIETS. FEELS PRC IN-
TENDS PLAY US CARD AGAINST SOVIETS, WOULD NOT MIND IF ITS
REVISIONIST/CAPITALIST ENEMIES WERE TO DESTROY EACH OTHER
IN NUKE WAR. MORGENTHAU CONCLUDES THAT PLAYING CHINESE
CARD IS FRAUGHT W/RISKS BECAUSE IT MAY HAVE EFFECT, NOT
OF STRENGTHENING US AGAINST SOVIETS, BUT OF STRENGTHENING
SOVIETS AGAINST US; MAY MEAN HANDING GAME TO MOSCOW.

IN INTERVIEW W/WSTAR'S CONSTANTINE (7/21), ROSS TERRILL
SAYS CHRMN HUA'S PRO-US, ANTI-SOVIET POSITION "IS NOT
UNCHALLENGED IN CHINA." FEELS IF "AMERICA-CHINA THING
DOESN'T GO AHEAD," PLA AND PROBABLY TENG MAY CAST "FOND
EYE" AT PROSPECT OF IMPROVING RELS W/SOVIETS. SAYS IF WE
HAVE ECON/CULTURAL/AID RELS W/TAIWAN, CHANCES ARE IT WILL
REMAIN STABLE.

ON PRC-SRV RELS, TERRILL BELIEVES PROBLEM IN VN TO CHINESE
IS RUSSIANS; FEELS CHINESE EXAGGERATE ROLE OF SOVIETS IN
ASIA; DOUBTS VIETS OR ANY OTHER ASIAN COUNTRY WILL GIVE
RUSSIANS BASES. CONTENDS PEKING GOVT HAS LESS AUTHORITY
OVER COUNTRY'S REGIONS THAN IT USED TO; FEELS WE'LL HAVE
TO WATCH MORE CLOSELY WHAT GOES ON IN SHANGHAI/MANCHURIA/
MIL REGIONS. BELIEVES CHINESE HAVE REACHED POINT WHERE
"THEY COULD MAKE IT UNACCEPTABLE" FOR RUSSIA TO MAKE NUKE
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ATTACK ON THEIR CITIES. POINTS OUT CHINESE ECON GROWING
AT ABOUT 6 PCT YRLY--"PRETTY GOOD" FOR COUNTRY THAT SIZE
THAT'S MAINLY AGRIC.

TERRILL FOUND CHINESE "VERY CARELESS" ABOUT ENVIRONMENT/
INDUSTRIAL SAFETY, STORING UP BIG PROBLEMS FOR FUTURE IN

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THESE 2 RESPECTS. SAYS CHINESE, AS EVER, ARE "SELF-SATISFIED" PEOPLE--NATURAL ISOLATIONISTS, CONTINENTAL COUNTRY; THEY'RE GOING TO BE SUPERPOWER IN ASIA, BUT NOT IN WORLD.

CHILDS, IN PEKING SEES PRC AT CROSSROADS, SEEKING REPAIR DAMAGE OF RECENT UPHEAVALS/MOVE QUICKLY INTO LATE 20TH CENTURY. SAYS ALTERNATIVE IS LAPSE INTO PEASANT ECON, BESET BY FOES ON SEVERAL BORDERS.

LAT (7/23) RUNS EXCERPTS FROM KENNEDY'S PERSONAL TRAVEL DIARY. SEN RECALLS VISIT TO CHANGSHA SCHOOL, PRIVATE HOME. IN SEPARATE ARTICLE, KENNEDY MAINTAINS "WE MAY NEVER EXPERIENCE A MORE PROPITIOUS TIME TO NORMALIZE RELATIONS WITH PEKING."

LAT'S MATHEWS (CANTON 7/23) NOTES CHINESE LINING UP IN DEPT STORES FOR CONSUMER GOODS--W/"GROWING WAITING LIST FOR CHINA'S LATEST STATUS SYMBOL, TELEVISION SETS." ALSO CITES COUPLE ON PASSING BUS WHO GOSSIPED ABOUT BONSUSES HANDED OUT BY THEIR FACTORY AND WHETHER THERE MIGHT BE MORE. CONCLUDES MAJOR ECON/SOCIAL CHANGES UNDER WAY IN "FORMERLY SPARTAN CHINA." SAYS IN WHAT CAN BE DESCRIBED ONLY AS "REVOLUTION OF RISING EXPECTATIONS," CHINESE PEOPLE HAVE BEGUN CLAMOR FOR HIGHER WAGES/MORE MATERIAL COMFORTS/EASIER LIFE, SEEMINGLY EAGER OVERTHROW AUSTERITY IMPOSED BY MAO.
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REUTER'S PRITCHETT (PEKING) SAYS PUBLIC COURT HEARINGS HAVE RESUMED IN SHANGHAI, AND LENGTHY REPORT SHOWING HOW CHINESE JUSTICE IS ADMINISTERED WAS PUBLISHED TUES. OBSERVES SOME DIPLOS SPECULATED THAT REPORT WAS INTENDED LET WORLD KNOW HOW CHINESE COURTS OPERATE, AFTER RECENT INTL CRITICIMS OF WAY SOVIET DISSIDENTS WERE TRIED.

19. SOUTHEAST ASIA

WSTAR'S BARTLETT (7/21) OBSERVES SEASIA COMMUNIST REGIMES ARE PROVOKING HOSTILITIES THAT CAN ONLY ENLARGE MISERY OF THEIR PEOPLE--AS IF TO PROVE SEASIA CAN BE WORSE THAN IT WAS WHEN AMERICANS THERE. CONTENDS TENSIONS ON ALL SEASIAN BORDERS SUGGEST GOVTS ARE COVERING THEIR DOMESTIC FAILURES BY PURSUING CONFLICTS W/THEIR NEIGHBORS.

IN DUSCUSSION OF TENSIONS AMONG VN/CAMBODIA/CHINA/LAOS, BARTLETT ASKS WHY CHINESE SO CONCERNED ABOUT CHINESE NATLS IN VN WHEN THEY CALLOUSLY INDIFFERENT TO FATE OF 500,000 CHINESE IN CAMBODIA? ANSWERS THAT CHINA SQUEEZES VN/ BOLSTERS CAMBODIANS BECAUSE VIETS ARE THEIR ONLY RIVALS FOR DOMINANCE IN REGION. "THEY PLAY FOR POWER, NOT FOR HUMANITARIAN ENDS." NOTES SITUATION IS BLEAK DEPARTURE

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FROM PROMISES WHICH BRIGHTENED COMMUNISTS' ROAD TO POWER/
GREAT CONTRAST TO DEEPENING COHESION OF ASEAN BLOC/
STARTLING PRODUCTIVITY OF JAPAN/SK/ROC. RATHER THAN
NORMALIZE RELS W/PRC, CONCLUDES "FAR WISER TO STAND BACK
AND LEAVE THEM ALONE WHILE THEY TAKE THEIR TURN AT GETTING
MIRED IN THE SWAMPY POLITICS OF SEASIA."

20. CAMBODIA

IN LTR TO NYT, CARL LANDE (POL SCI/EASIAN STUDIES PROF AT
UNIV OF KANSAS) REPLIES TO 4/3 NYT EDIT WHICH SPECULATED
ON WHAT MIGHT NOT HAVE HAPPENED IN CAMBODIA IF THERE HAD
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BEEN NO SVIET/AMER INCURSION THERE. OPINES NYT ONLY TOLD
HALF STORY. SAYS IF US HAD STOOD FIRM/NOT W/DRAWN ITS
FORCES, OR, HAVING W/DRAWN, NOT RENEGED ON PROMISES OF
MIL SUPPLIES, 2 MIL CAMBODIANS MIGHT NOT HAVE BEEN
MURDERED/THOUSANDS MEO MIGHT NOT HAVE BEEN EXTERMINATED/
2,000 VIETS MIGHT NOT BE DROWNING EACH MONTH. SAYS US
ABANDONMENT DUE IN LARGE PART TO CONVICTION OF
"INFLUENTIAL LIBERAL JOURNALS" LIKE NYT THAT ANY
"SOCIALIST" GROUP MUST BE IMPROVEMENT OVER "CORRUPT"
LON NOL/SOUVANNA PHOUMA/NGUYEN VAN THIEU REGIMES. "HOW
RELATIVELY BENIGN THEY APPEAR IN RETROSPECT," HE SAYS.
VANCE

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Document Number: 1978STATE187313
Document Source: ADS
Document Unique ID: 00
Drafter: EA/P:STAFF:VDC
Enclosure: n/a
Executive Order: N/A
Errors: n/a
Expiration:
Film Number: D780305-0358
Format: TEL
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t197807106/baaaezip.tel
Line Count: 518
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, TEXT ON MICROFILM
Message ID: 5e72566b-c288-dd11-92da-001cc4696bcc
Office: ORIGIN EA
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 10
Previous Channel Indicators:
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 29 mar 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: N/A
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1857762
Secure: OPEN
Status: NATIVE
Subject: JULY 25 EA PRESS SUMMARY
TAGS: SOPN, XC, US
To: ALL EAST ASIAN AND PACIFIC DIPLOMATIC POSTS MOSCOW MULTIPLE
Type: TE
vdkvgwkey: odbc://SAS/SAS.dbo.SAS_Docs/5e72566b-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
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